

## **REMARKS**

Claims 1-97 were pending. Applicant has amended claims 1, 6-7, 9-10, 13-14, 18, 25, 27, 40-41, 70-72, 74, 81-83 and 88. Claims 2-5, 8, 12, 15-17, 19-24, 26, 28-29, 37-38, 42-69, 76-77, 84-87 and 89-97 have been cancelled. No claims are newly presented. No new matter has been introduced.

### **Double Patenting Rejection**

Claims 1-41 and 58-97 are provisionally rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over Claims 1-111 of copending application no. 10/931,792; over claims 1-52 of copending application no. 11/045,797; and claims 1-53 of copending application no. 11/262,292.

### **Objections to the Claims**

Claims 1, 12, 26, 40, 58-60, 74, 86 and 92-97 are objected to for informalities. Applicant has amended the claims.

Claims 12, 26 and 86 are objected to as being of improper dependent form for failing to further limit the subject matter of a previous claim. Claims 12, 26 and 86 have been cancelled.

### **Rejections under 35 USC §112**

Claims 7-8, 15, 74, 76-77, 83 and 93-95 stand rejected under §112, second paragraph, as being indefinite.

### **Rejections under 35 USC §102**

Claims 1, 6, 9-13, 27, 30, 32, 38-40, 58, 92-93 and 97 stand rejected under §102(e) as anticipated by Paasche et al. (US 7,359,871).

### **Rejections under 35 USC §103**

Claims 2, 7-8, 22-23, 26, 34-37, 41, 59-62, 68-69, 84-91 and 96 stand rejected under §103(a) as obvious over Paasche (US 7,359,871).

Claims 3-5, 24-25 and 65-67 stand rejected under §103(a) as obvious over Paasche I view of Kanter (US 5,537,314).

Claims 14-21, 28-29, 31, 33, 63-64 stand rejected under §103(a) as obvious over Paasche in view of Took III (US 2002/0035529).

Claims 70-83, 94 and 95 stand rejected under §103(a) as obvious over Paasche in view of Tooke in further view of Annas (Annas, George J., *HIPAA Regulations – A New Era of Medical-Recorder Privacy?*, The New England Journal of Medicine, 348:1486-1490, April 10, 2003.

In one embodiment of the present invention, as set forth in claim 1, a method of selling a health related product or service via the Internet, includes providing a service provider system with a web server that has a database. The service provider system has members that purchase health related products and services through the service provider system. Applicants are enrolled in the service provider system as members. Tax free award points are awarded to a member. The tax free award points have characteristics of, being transferable by the member to an exempt organization for use in fulfilling its exempt purpose, not convertible to cash or a cash equivalent and having a limited life, the tax free award points being granted for point generating purchases, (i) made by the member itself through the service provider system, (ii) made by members who were referred to the service provider system by the member, and (iii) made by members who were referred to the service provider system by members in (ii). A member identifier is assigned to each member and recorded in a computer memory. A request message is received at the service provider system, from a member purchasing a product or service. The request message contains a requested product or service item identifier and a member identifier. The service provider system transmits to a supplier of the requested product or service, a request for the product or service.

Paasche is different from the present invention. Paasche is focused on independent business owners, and transactions that are classified as compensation, e.g., subject to tax. Unlike the present invention, #Paasche fails to provide that points are awarded to a member for purchases, (i) made by the member itself through the service provider system, (ii) made by members who were referred to the service provider system by the member, and (iii) made by members who were referred to the service provider system by members in (ii). Paasche also fails to provide that, the awarded points are transferable by a member only to an exempt organization for use in fulfilling its exempt purpose, are not convertible to cash or a cash equivalent, have a limited life and are treated as non-taxable income for federal income tax purposes at the time they are awarded or used.

Paasche discloses methods for facilitating an on-line shopping and rewards program through a network. An individual registers with a marketing system as a client, a member, or a member plus. A client is not eligible to earn compensation and is eligible to buy products at a client price. A member is eligible to buy products at a member price and is not eligible to earn compensation. A member plus is eligible to buy products at a member plus price and qualifies to earn compensation by satisfying a sales qualification level and qualify as an independent business owner ("IBO"). Each IBO is eligible to buy products at an IBO price and is eligible to earn compensation.

The member is not entitled to a performance bonus nor is the member authorized to recruit or sponsor other members. members are not encouraged or authorized to resell products from the marketing company.

Paasche et al. provides a method and system for facilitating an on-line shopping and rewards program. This program rewards frequent buyers with purchasing opportunities based upon the volume of marketing system products and services purchased by that particular customer.

A rewards database is maintained on the server computer for storing reward points corresponding to a registered client, member, member plus, and IBO. A redemption value is assigned to the marketing system products and

services. The server computer allows the registered client, member, member plus, and IBO to submit a rewards exchange request for marketing system products and services through an on-line redemption form

The marketing system products and services are assigned a corresponding rewards value and a redemption value. The rewards value for a particular product or service may have the same or different value than the redemption value for that product or service.

As a registered client, member, member plus, and IBO purchases products, it accumulates accrual values differently based upon particular participation levels. These accrual values are transferred into rewards points and stored in a rewards catalog .

By way of illustration, a redemption value for the redeemed product, may be, for example, 150 points for a member, 100 points for a member plus, and 200 points for a client. This process may then be continued for subsequent purchases and/or redemptions.

### CONCLUSION

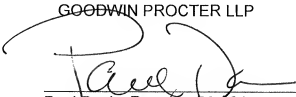
It is submitted that the present application is in form for allowance, and such action is respectfully requested.

The Commissioner is authorized to charge any additional fees which may be required, including petition fees and extension of time fees, to Deposit Account No. 50-4634 (Docket No. LIF 0004 ).

Respectfully submitted,

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